



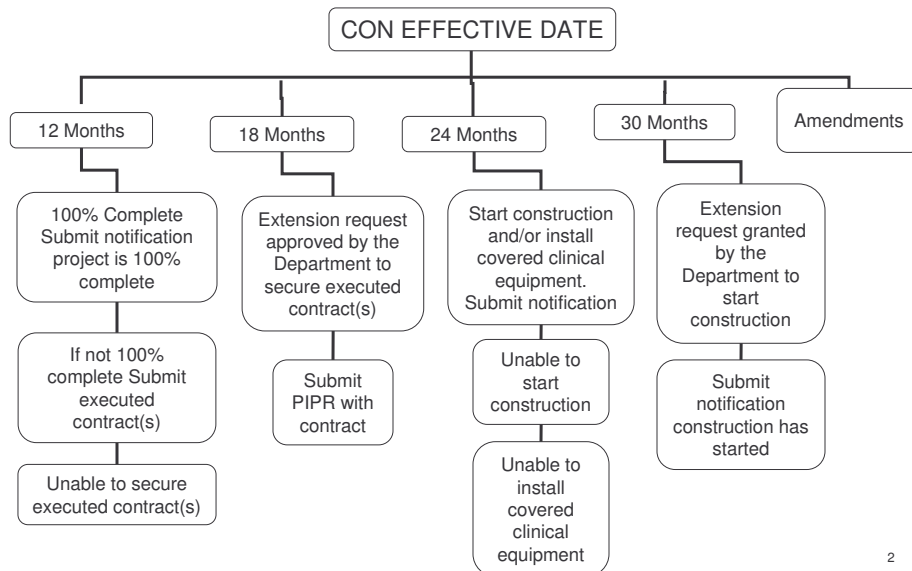
Certificate of Need Seminar
Concurrent Breakout Session
Follow Up Process

Tuesday, October 27, 2009
9:00am – 4:00pm
Lansing Community College – West Campus
5708 Cornerstone Drive
Lansing MI 48917

Presented by Gaye Tuttle

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FOLLOW UP TIMELINE



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Follow Up 12-Months

- Provide notification project is 100% complete:
 - submit 100% complete Project Implementation Progress Report (PIPR)
 - indicate all of the applicable documents on file with facility/applicant pertaining to the CON project
 - *Indicate date of 1st scan/procedure on PIPR (replace existing equipment, addition of operating room, etc.)*
 - Department may request copies of applicable documents for purpose of a random audit
 - NON SUB NOTICE (mobile CT-MRI-LITHO-PET)
 - *Advise Department date of 1st scan at mobile host site & submit patient log*
- If your project is 100% operational/complete prior to 12 months, please submit your PIPR at that time.

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12-Months continued... If project is not 100% complete

- Submit PIPR indicating the projected operational/completion dates, and percentage of completion. Submit copy of an executed contract.
- Executed contract can be one or all of the following:
 - **Construction** – AIA Document Standard Form of Agreement between Owner and Contractor, Notice to Proceed or Letter of Contract
 - Executed contract for construction must state the construction project as stated in the approval or most recent amendment letter with a proposed start date no later than 2 years from the effective date
 - **Covered Clinical Equipment Installation** – Purchase agreement, purchase order, or lease agreement
 - Executed contract for equipment must state an installation date no later than 2 years from the effective date
- If your project includes both construction and covered clinical equipment installation, the Department prefers to receive a copy of both contracts.

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12-Months continued... Construction Contract

Executed contract must contain the following info:

- Agreement date
- Names/Addresses of Owner and Contractor
- Facility Name & Location
- Brief description of construction project (must coincide with CON approval letter or most recent amendment letter)
- Date of commencement of construction
- Date of substantial completion of work
- Provide a copy of the preliminary project schedule



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12-Month continued... Covered Clinical Equipment Installation

Executed contract must contain the following info:

- Agreement date
- Facility Name & Location
- Make & Model of Equipment (must coincide with CON approval letter or most recent amendment letter)
- Date of projected equipment installation (must state an installation date is no later than 2 years from the effective date)



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12-Months continued...

Unable to secure executed contract(s)

- Unable to secure executed contract for construction project and/or covered clinical equipment installation.
 - Applicant may submit a one-time 6-month extension request to secure an executed contract(s) [Rule 325.9403(2)]
 - The terms of the certificate are not changed.
 - Substantial progress has been made.
 - Acceptable documents – Proof of progress
 - Executed contract between owner & architect
 - Formal correspondence from vendor or landlord, indicating draft lease for equipment/space will be executed
 - Newspaper ads of bid notices
 - Board minutes of local planning commission review this project
 - Verification project plans have been submitted to HFES
 - The extension request to secure the executed contract(s) may or may not be granted by the Department.

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Follow Up 18-Months



- If the Department approves an extension request to secure the executed contract(s)
 - Applicant must submit a PIPR to the Department, indicating projected operational/completion dates, construction start date &/or installation date of equipment
 - Submit copy of executed contract for construction &/or covered clinical equipment installation
 - Construction projects - Provide a copy of the preliminary project schedule

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24-Months - Construction



Applicant must submit notification construction has started

- Verification facility footings poured, construction started with 24 months from the effective date
- Copy of Report of Field Testing indicating mix has been delivered/poured
- Copy of correspondence from concrete company to construction contractor indicating foundation work for building completed



It is recommended on multi-phase projects, to submit a PIPR yearly to update the Department the status of your project



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24-Months - Equipment

- Applicant must submit notification covered clinical equipment has been installed
- Verification installation of equipment has occurred 24 months from the effective date
 - Vendor certification of installation



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24-Months continued... Unable to start construction



- If unable to start construction within 24 months of the CON effective date, the applicant may submit to the Department an Amended Request for Certificate of Need to extend (up to 6 months) the start of construction. The Amended Request is available online at www.michigan.gov/con. See CON Online Application System.
- The applicant must justify the circumstances for the extension request.
 - Unforeseen conditions or events such as ground contamination or weather conditions
 - County/City/Township zoning or planning issues
 - Companion CON application including applications under appeal with the Department
- The amendment request to extend the start of construction may or may not be granted by the Department.

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24-Months continued... Unable to install covered clinical equipment

- Covered clinical equipment must be installed within 24 months of the CON effective date.
 - No provision to extend date of equipment installation.
 - Applicant must withdraw CON or the Department will expire the CON



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30-Months Construction

- If the Department approved a 6-month request to extend the start of the construction, an applicant must submit notification construction has started and submit PIPR.
 - Verification facility footings poured
 - Copy of Report of Field Testing for concrete indicating mix delivered/poured.
 - Copy of formal correspondence from concrete company to construction project manager indicating foundation work for building completed.



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Amended Request for CON

- Change to the scope of the approved project
- Change in approved covered clinical equipment
- Change in approved sources of funds
- Increase cost (above 15-10%)
- Increase construction/renovation square footage
- Approved legal description of address has been assigned a permanent street address by City/Township or U. S. Postal Service

The Amended Request is available online at www.michigan.gov/con
See CON Online Application System

Applicant Must Complete		AMENDED REQUEST for CERTIFICATE OF NEED	
Form Number	Michigan Department of Community Health		
Form Version	CERTIFICATE OF NEED Lewis Cass Building 320 S. Walnut St. Lansing, Michigan 48913		
		Phone: (517) 241-3344 – Fax: (517) 241-2862	
<small>ACTUALLY FOR 30% OF 1975, as amended CONSTRUCTION: is necessary and is required to obtain a Certificate of Need (CON) for the project. Certificate of Need (CON) for the project.</small>		<small>The Department of Community Health is an equal opportunity employer, services and programs provided.</small>	
SECTION 1 - Facility Information			
Contract/Proposed Facility Name		Area Code and Telephone Number	Extension
Facility Street Address		City	
City	State	ZIP Code	Applicant's Federal ID
SECTION 2 - Applicant Organization			
Legal Name of Applicant Organization (must include name and address of the parent)			
Area Code, Telephone No. & Ext.		FAX No. (Area Code and No.)	FAX No. (Area Code and No.)
Street Address		Street Address	
City	State	ZIP Code	City
Total (Administrative)	State	ZIP Code	Total
SECTION 3 - Agent Information			
Authorized Agent Name		Authorized Agent Organization	
Area Code, Telephone No. & Ext.		FAX No. (Area Code and No.)	FAX No. (Area Code and No.)
Street Address		Street Address	
City	State	ZIP Code	City
Total (Administrative)	State	ZIP Code	Total
SECTION 4 - Justification for Amendment Request: (Attach additional sheets as necessary)			

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Project Implementation Progress Report (PIPR)

Insert info all
PIPR
submissions

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH (MDCH)
Certificate of Need
Project Implementation Progress Report (PIPR)
Authority: Act 368, P.A. 1978 & P.L. 92-603

Applicant:
Certificate of Need (CON) No: _____ Effective Date: _____
Facility Name: _____ Facility No: _____
Address: _____

Effective Date means the date the MDCH Director signed the final decision letter or the date the applicant or its agent signed, if stipulations apply.

Project Description (see opening paragraph in the CON approval/amendment letter):

The CON Program monitors completion of CON-approved projects. Please complete and return:
 • Once a project is 100% complete.
 • Within 12 months from the effective date, even if the project is not 100% complete.
 • Failure to file a timely PIPR in accordance with the Rules may result in enforcement action.

Project Summary
Documents, as applicable, must be maintained on file by the applicant. The Department reserves the right to request documents if the project is selected for auditing purposes.

Project operational and 100% complete: ☐ Yes
 Project Operational Date: (mm/dd/yyyy)
 Project Completion Date: (mm/dd/yyyy)
 Operational Date means performance of the new procedure, such as surgery, treatment, etc.
 Completion Date cannot be earlier than the "operational date".

All of the following items are on file with applicant/facility (as applicable):
☐ Copy of vendor purchase order(s) for covered clinical equipment that shall include date of installation of equipment within 24 months of effective date (R 325.9103).
☐ Certification from the vendor that the equipment has been installed.
☐ Copy of signed space and/or equipment lease(s).
☐ Copy of signed purchase agreement(s).
☐ Radiation Safety Certificate ☐ DESQ Certification ☐ HES Permit for Construction
☐ PSOFIASC License ☐ Hospital License ☐ Nursing Home License
☐ Psych Inpatient Unit License
☐ Patient Log (HIPAA Compliant) - Date of 1st billable procedure/scan: (mm/dd/yyyy) For mobile host site(s), please submit copy of patient log.

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Insert info all
PIPR
submissions

Insert info
100%
operational -
complete
PIPR
submissions

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PIPR continued...

If applicable,
insert changes
from approved
CON.
NOTE: may
require
amendment
review

Project NOT 100% complete: Projected Operational Date: (mm/dd/yyyy)
 Projected Completion Date: (mm/dd/yyyy)
 Percentage of Completion to Date: %

Submit the following, as applicable, with the PIPR:
☐ Copy of signed construction contract. Must clearly identify the project's location and project description as stated in the CON approval/amendment letter.
☐ Copy of signed contract to purchase or lease covered clinical equipment. Must clearly identify the equipment as stated in the CON approval/amendment letter along with the date that the equipment will be installed (R 325.9103).
☐ Documentation to substantiate that the facility footings were poured within 24 months from the effective date (R 325.9417).
☐ Preliminary Project Schedule ☐ Notice to Proceed/Letter of Engagement

Project Details - List below changes that deviate from the approved CON.

COVERED CLINICAL EQUIPMENT/LICENSED BEDS			
Approved	Final		

A change in the approved covered clinical equipment requires an Amendment to be filed. [R 325.9413]

Lease Terms	Approved Years/Months	Final Years/Months	Date of Executed Lease (mm/dd/yyyy)
Space			
Equipment			
Service Agreement (CSC/Host site)			

An increase in lease term requires an Amendment to be filed. [R 325.9413]

Construction/Renovation Area	Approved (sf)	Final (sf)
Total Area Renovated or Remodeled		
Total New Construction		

An increase in Renovation/Construction square footage requires an Amendment to be filed. [R 325.9413]

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Insert info
on PIPRs
NOT 100%
complete

Insert info on
all 100%
complete
PIPRs.
Complete
approved, final
& date (if
applicable)
NOTE: changes
from Approved to
Final may require
amendment
review

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PIPR continued...

Insert info on 100% complete PIPRs using approved project costs from CON approval letter or recent amendment letter

FINAL PROJECT COSTS		
Categories	Approved Costs*	Final Costs
New Construction - Clinical		
New Construction - Non Clinical		
Renovation and Remodeling - Clinical		
Renovation and Remodeling - Non Clinical		
Architect/Engineering Fees		
Contingencies		
Feasibility Study/Surveys		
Site Preparation		
Fixed Medical Equipment		
Fixed Non-Medical Equipment		
Covered Clinical Equipment (PET, MRI, CT, etc.)		
Lease Term: (if applicable)		
Moveable Equipment (Medical and Non-Medical)		
Fees (consulting, legal, banking, etc.)		
Space Lease Cost - Lease Term:		
Land Purchase		
Building Purchase		
Interest During Construction		
Other (Specify)		
Other (Specify)		
Other (Specify)		
Other (Specify)		
Other (Specify)		
TOTAL PROJECT COSTS		

*Approved Project Costs must match amounts in the CON approval/amendment letter.

Administrative Rule 325.9415 requires an amendment to be filed if there is an increase in project costs in excess of 15% of the approved project costs up to \$1,000,000.00 and 10% of the approved project costs in excess of \$1,000,000.00.

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Increase final cost over allowable 15-10% may require amendment review

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PIPR continued....

Insert info on 100% complete PIPRs using approved sources of funds from CON approval letter or recent amendment letter

FINAL SOURCE OF FUNDS		
Categories	Approved Sources of Funds*	Final Sources of Funds
Unrestricted Cash		
Designated Funds		
Restricted Funds		
Mortgages/Loans (FHA, HUD, etc.)		
Bond Issue		
Other Funds (i.e., grants, etc.)		
Capital/Operating Lease		
Gift, Bequests, Donations, and Pledges		
Interest Income During Construction		
Other (Specify)		
Other (Specify)		
Other (Specify)		
TOTAL SOURCES OF FUNDS		

*Approved Sources of Funds must match amounts in the CON approval/amendment letter.

Administrative Rule 325.9413(2) requires an amendment to be filed if there is a change in the method and terms of financing.

Certification and Contact Information

By submission of this form, I certify that all the information provided above have been verified and accurately reflect the outcome of the proposed approved project to date.

Name: _____
 Email: _____
 Telephone No.: _____
 Date: _____

Return to: Michigan Department of Community Health
 Certificate of Need Program Section
 320 South Walnut Street, 3rd Floor
 Lansing, Michigan 48913 or
 Email: tuffley@michigan.gov

Note: Resave PIPR document with your CON No. in the title (i.e., CON No. 88-9999 PIPR).

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Increase sources of funds over allowable 15-10% or change in source of funds may require amendment review

Insert contact info for all submitted PIPRs

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QUESTIONS ?

